

JANUARY 31, 1996

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JANUARY 31, 1996, IN THE TRUST LANDS OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW-LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL ESTATE BUSINESS MATTERS

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OIL, GAS, AND HYDROCARBON LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Bonner, the Director approved the Oil, Gas, and Hydrocarbon lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Director of the Trust Lands Administration. The application has been checked by the Minerals Section and found to be in order. The land status has been examined and the lands found to be open and available.

<u>Mineral Lease Appl. No. 47204</u>	<u>T16S, R3E, SLB&M.</u>	Sanpete County
Atlas Resources, Corp.	Sec. 13: Lots 1, 2, 3, 445.66 acres	
777 North 500 West #202	4, 5, 10	
Provo, UT 84601	Sec. 14: Lots 1, 2, 3, 4, 5	

Application Date: January 24, 1996

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BUILDING STONE/LIMESTONE LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Building Stone/Limestone lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Director of the Trust Lands Administration. The application has been checked by the Minerals Section and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date for this lease is February 1, 2006.

<u>Mineral Lease Appl. No. 47199</u>	<u>T30S, R25E, SLB&M.</u>	San Juan County
Dick Shumway	Sec. 16: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00 acres
1810 Shumway		
Moab, UT 84532		

Application Date: December 21, 1995

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TOTAL ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Cooper, the Director approved the assignment of the leases listed below to Duncan M. O'Brien, 1616 Glenarm Place, #2530, Denver, CO 80202, by Vern Jones. No override.

LEASE OWNERSHIP: VERN JONES

....ML 47034....ML 47137....

Upon recommendation of Mr. Cooper, the Director approved the assignment of the lease listed below to Holcomb Oil and Gas, P.O. Box 2058, Farmington, NM 87499, by Exxon Company, U.S.A. No override, but subject to .5% overriding royalty previously reserved. The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: EXXON COMPANY, U.S.A.

....ML 3713....

OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Cooper, the Director approved the assignment of 22.22% of 16.875% or 3.75% interest in operating rights from the surface to 100 feet below the stratigraphic equivalent of 10,115 feet drilled in the Ice Canyon #16-9 Well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 16, T16S, R21E, SLB&M., in and to the lease listed below to Beartooth Oil & Gas Company, P.O. Box 2564, Billings, MT 59103, by Odegard Resources, Inc. No override, but subject to 8.925% overriding royalty previously reserved. The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: BEARTOOTH OIL & GAS COMPANY--50%, AND
FORCENERGY GAS EXPLORATION INC.--50%
OPERATING RIGHTS: FROM SURFACE TO 100 FEET BELOW
STRATIGRAPHIC EQUIVALENT OF TOTAL DEPTH OF 10,115
FEET DRILLED IN THE ICE CANYON 16-9 IN SE $\frac{1}{4}$ NE $\frac{1}{4}$ SEC.
26, T16S, R21E, SLB&M.
BEARTOOTH OIL & GAS COMPANY--27.7141%,
FORCENERGY GAS EXPLORATION INC.--42.5%,
ODEGARD RESOURCES, INC.--16.875%,
RB OIL COMPANY--4.2637%,
SARCO, INC.--3.1678%,
B&H RESOURCES, INC.--1.6438%, AND
T-K PRODUCTION COMPANY--.8219%

....ML 21220....

OPERATING RIGHTS ASSIGNMENTS--OIL, GAS AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Cooper, the Director approved the assignment of 100% interest in operating rights from below top of Mancos Formation in and to the leases listed below to Atlantic Richfield Company, P.O. Box 1610, Midland, TX 79702, by Vastar Resources, Inc. No override, but subject to 2.5% overriding royalty previously reserved. The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: OPERATING RIGHTS: FROM BASE OF MANCOS FORMATION
TO ALL DEPTHS
VASTAR RESOURCES INC.
OVERRIDING ROYALTY: FROM SURFACE TO BASE OF MANCO
SHALE FORMATION
VASTAR RESOURCES, INC.--6.25%

...ML 22649...ML 22650...ML 22651...ML 22652...ML 22653...

Upon recommendation of Mr. Cooper, the Director approved the assignment of 100% interest in operating rights from below top of Mancos Formation in and to the leases listed below to Coastal Oil & Gas Corporation, Nine Greenway Plaza, Houston, TX 77046-0995, by Atlantic Richfield Company. No override, but subject to 2.5% overriding royalty previously reserved. The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: OPERATING RIGHTS: FROM BASE OF MANCOS FORMATION
TO ALL DEPTHS
ATLANTIC RICHFIELD COMPANY
OVERRIDING ROYALTY: FROM SURFACE TO BASE OF MANCO
SHALE FORMATION
ATLANTIC RICHFIELD COMPANY--6.25%

....ML 22649....ML 22650....ML 22651....ML 22652....ML 22653....

OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Cooper, the Director approved the assignment of 6.25% overriding royalty interest from the surface to the base of the Mancos Shale Formation in and to the leases listed below to Atlantic Richfield Company, P.O. Box 1610, Midland, TX 79702, by Vastar Resources, Inc. The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: OPERATING RIGHTS: FROM BASE OF MANCOS FORMATION
TO ALL DEPTHS
VASTAR RESOURCES INC.
OVERRIDING ROYALTY: FROM SURFACE TO BASE OF MANCO
SHALE FORMATION
VASTAR RESOURCES, INC.--6.25%

....ML 22649....ML 22650....ML 22651....ML 22652....ML 22653....

Upon recommendation of Mr. Cooper, the Director approved the assignment of 6.25% interest in overriding royalty interest from surface to base of Mancos Shale Formation in and to the leases listed below to Coastal Oil & Gas Corporation, Nine Greenway Plaza, Houston, TX 77046-0995, by Atlantic Richfield Company.

LEASE OWNERSHIP: OPERATING RIGHTS: FROM BASE OF MANCOS FORMATION
TO ALL DEPTHS
ATLANTIC RICHFIELD COMPANY
OVERRIDING ROYALTY: FROM SURFACE TO BASE OF MANCO
SHALE FORMATION
ATLANTIC RICHFIELD COMPANY--6.25%

....ML 22649....ML 22650....ML 22651....ML 22652....ML 22653....

Upon recommendation of Mr. Cooper, the Director approved the assignment of 1% of 8/8ths overriding royalty interest in and to the leases listed below to Allan R. Larson, 4876 W. Fair Avenue, Littleton, CO 80123, by Chandler & Associates Inc. The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: CHANDLER & ASSOCIATES INC.

....ML 47046....ML 47059....

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MERGER OF DALEN CORPORATION INTO ENSERCH EXPLORATION, INC.--
ML 2252, ML 3393, ML 3393-A, ML 3394, ML 3394-A, ML 10716,
ML 13214, ML 13215-A, ML 21835, ML 21839, ML 22058, ML 22060,
ML 22061, ML 22313, ML 26968, ML 29607, ML 44032, ML 44211,
ML 44215, ML 44336, ML 44538, ML 45171, ML 45172, ML 45173,
ML 45176, ML 45177, ML 45178, ML 45179, ML 45186, ML 45187,
ML 45190, ML 45191, ML 45192, ML 45193, ML 45194, AND
ML 46694--OIL, GAS, AND HYDROCARBON

This office has received evidence that effective December 31, 1995, Dalen Corporation merged into Enserch Exploration, Inc. affecting the above-numbered leases.

Upon recommendation of Mr. Cooper, the Director accepted the above merger.

FILING OF PRODUCTION PAYMENT CONVEYANCE FROM COASTAL OIL & GAS USA, L.P.,
TO SANTA RITA CAPITAL COMPANY--UO-1189-ST, UO-1194, UO-1194-A-ST,
UO-1197-ST, UO-1197-A-ST, UO-1207-ST, UO-8512-ST, SLA 127, SLA 130,
SLA 131, SLA 132, SLA 135, SLA 138, SLA 139, SLA 140, SLA 142, SLA 144,
SLA 145, SLA 146, SLA 148, SLA 150, SLA 151, ML 3282, ML 13826, ML 14032,
ML 14033, ML 21510, ML 22649, ML 22650, ML 22651, ML 22790, ML 22934,
ML 22935, ML 23607, ML 23608, ML 24313, ML 24316, ML 27911, ML 27912,
ML 27913, AND ML 35468--OIL, GAS, AND HYDROCARBON

This office has received a document entitled Production Payment Conveyance from Coastal Oil & Gas USA, L.P., to Santa Rita Capital Company dated December 28, 1995.

Upon recommendation of Mr. Cooper, the Director noted the above and it will be placed in the files of record.

FILING OF MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT,
FINANCING STATEMENT AND FIXTURE FILING FROM PIONEER OIL AND GAS TO FIRST
AMERICAN TITLE COMPANY OF UTAH, AS TRUSTEE, AND ZIONS FIRST NATIONAL BANK--
ML 36202--OIL, GAS, AND HYDROCARBON

This office has received a document entitled Filing of Mortgage, Deed of Trust, Security Agreement, Assignment, Financing Statement and Fixture Filing from Pioneer Oil and Gas to First American Title Company of Utah, as Trustee, and Zions First National Bank dated January 22, 1996.

Upon recommendation of Mr. Cooper, the Director noted the above and it will be placed in the file of record.

FILING OF DEED OF TRUST, MORTGAGE, ASSIGNMENT OF PRODUCTION, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT BETWEEN RIVER GAS CORPORATION (GRANTOR, MORTGAGOR, AND DEBTOR) TO PROFESSIONAL TITLE SERVICES (TRUSTEE) AND DEPOSIT GUARANTY NATIONAL BANK (BENEFICIARY, MORTGAGEE, AND SECURED PARTY)-- ML 38665, ML 38666, ML 38667, ML 38668, ML 38669, ML 38828, ML 38829, ML 38830, ML 38831, ML 38832, ML 39038, ML 39045, ML 39332, ML 39333, ML 39334, ML 39335, ML 39865, ML 39916, ML 40115, ML 40521, ML 45189, ML 45691, AND ML 47159-FO--OIL, GAS, AND HYDROCARBON

This office has received a document entitled Deed of Trust, Mortgage, Assignment of Production, Security Agreement, Fixture Filing and Financing Statement between River Gas Corporation (Grantor, Mortgagor, and Debtor) to Professional Title Services (Trustee) and Deposit Guaranty National Bank (Beneficiary, Mortgagee, and Secured Party) dated January 22, 1996.

Upon recommendation of Mr. Cooper, the Director noted the above and the document will be placed in the files.

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MODIFICATION TO OIL, GAS, AND HYDROCARBON LEASE TERMS R850-20-3800. OPTION TO MODIFY 1981 FORM OIL, GAS, AND HYDROCARBON

R850-20-3800 allows a lessee, whose lease is written on a 1981 form or subsequent form with the same minimum royalty requirement, to agree in writing to change the amount of minimum royalty from three times the annual rental to \$1 per acre. This changes the eleventh thru fifteenth year annual rental payment from \$8 per acre to \$3 per acre. The following lessee has submitted written documentation requesting this amended royalty provision:

<u>Lessee</u>	<u>Lease No.</u>
McCulliss Resources Co., Inc.	ML 42142

Upon recommendation of Mr. Bonner, the Director approved the above-described amendment and ordered the records of the lease listed above be modified as noted.

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RELINQUISHMENT OF ML 22603--COAL

Pacificorp has submitted a written letter of relinquishment of the above numbered lease, as of December 31, 1995, containing the following described lands.

<u>T17S R6E SLB&M.</u>	Emery County
Sec. 36: All	640.00 acres

Relinquishment of the lease by Pacificorp should be accepted, subject to the right of the State to collect all monies now or finally owing to the lessor pursuant to the Trail Mountain Mine Audit. Approval of this relinquishment shall not be deemed as forfeiting any rights of the lessor under the original lease agreement or any amendment thereof.

The lands are withdrawn from noncompetitive coal leasing and should not be competitively offered for lease at this time.

Upon recommendation of Mr. Blake, the Director approved the relinquishment as described above.

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SURFACE ESTATE BUSINESS MATTERS

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GRAZING PERMITS

GRAZING PERMIT NO. 22977 (APPROVAL)

HOLTZ INCORPORATED
C/O MERLIN KINGSTON
PO BOX 870087
WOODS CROSS UT 84087

5186.85 Acres 426.00 AUM's

Type of Livestock: Sheep

Season of Use: Early Spring, Fall, Winter

\$1,043.70 per annum; \$50.00 application fee; 15-year term.

County(s) Utah

05/01/95 Beginning Date

T8S, R1W, SLB&M

- Sec. 6: A portion of SW4SW4 described as that land which lies south and west of an existing fence, containing 6.98 acres.
Sec. 7: A portion of SW4SW4SW4 described as that land which lies south and west of an existing fence, containing 0.02 acre.
Sec. 18: A portion of Lot 1 and NW4NE4 described as that land which lies south and west of an existing fence, containing 24.74 acres, also all of Lots 2, 3, 4, 5, 6, 7, 8, SE4NE4, E2SE4, SW4SE4, SE4SW4
Sec. 19: Lots 1, 2, 3, 4, 5, 6, 7, SE4SW4
Sec. 30: Lots 1, 2, E2NW4

T8S, R2W, SLB&M

- Sec. 11: N2
Sec. 12: Lots 1 through 16, inclusive
Sec. 13: All
Sec. 23: Lots 3 through 22, inclusive, SW4NW4, NW4SW4, NW4SE4
Sec. 24: Lots 2 through 12, inclusive, SE4NW4, E2SW4
Sec. 25: W2NE4, NW4
Sec. 26: Lots 4 through 21, inclusive
Sec. 36: E2

EASEMENT NO. 353 (APPROVAL) (CONT'D)

1. The proposed easement is not located entirely on School Trust land or, if it is located entirely on School Trust land, it is located in an easement corridor.
2. The proposed easement term is 30 years or less.
3. The applicant has paid the fee as determined by the Trust Lands Administration office.
4. The proposed easement will not have an unreasonably adverse effect on the developability or marketability of the subject property.

Easement charges are determined pursuant to R850-40-600:

"The agency may annually establish price schedules for easements based on the cost incurred by the agency in administering the easement and the fair-market value of the particular use."

EVALUATION OF FACTS:

A summary of the criteria considered in this easement application is as follows:

1. The proposed easement is for an existing cathodic protection installation located entirely on School Trust lands within an existing easement corridor.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the Trust Lands Administration-determined fee.
4. Because the cathodic protection has already been installed, and because of its location adjoining an existing pipeline, the proposed easement will not have an unreasonably adverse effect on the developability or marketability of the subject property.

Upon recommendation from Mr. Tripp, Mr. Carter approved Easement 353 for a term of 30 years with the charge being \$901.08, plus the \$600.00 application fee with an administrative fee being assessed every three years, beginning January 1, 1999. The expiration date is December 31, 2025.

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RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 3908

On January 24, 1996, Mr. Louis Brown, Central Area Realty Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Cliff Blake, Outdoor Concepts--Unlimited, 981 E 1700 N, Ogden, UT 84414, to occupy the following described Trust land located within Kane County for commercial still photography:

Township 39 South, Range 5 East SLB&M
Section 32
Section 36

Township 39 South, Range 6 East SLB&M
Section 2
Section 16

The fee for this right of entry is \$300.00, plus a \$50.00 application fee totaling \$350.00. Kane County. Expiration date: 1/29/96.

This item was submitted by Mr. Brown for record-keeping purposes.

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TIMBER APPLICATIONS

SMALL FOREST PRODUCT PRICE LIST APPROVAL

Upon review and evaluation of the small forest products program, Mr. Carmichael recommends the following minimum prices be established for small forest product sales.

<u>Product</u>	<u>Price</u>
Fuelwood:	
All species except Oak	\$ 7.00/cord
Oak	\$ 15.00/cord
Sawtimber (including mine props and house logs):	
All Conifers except <i>Abies spp.</i>	\$ 25.00/MBF
<i>Abies spp.</i> (white and subalpine fir)	\$ 12.00/MBF
Quaking Aspen	\$ 12.00/MBF
Posts:	
All species, live or dead	\$ 0.50/post

SMALL FOREST PRODUCT PRICE LIST APPROVAL (CONT'D)

Poles:

Conifers:

Trees less than 2.9" DBH	\$ 1.00/tree
Trees 3" to 5.9" DBH	\$ 2.00/tree
Trees 6" to 7.9" DBH	\$ 3.00/tree

Deciduous Species:

Trees less than 2.9" DBH	\$ 0.50/tree
Trees 3" to 5.9" DBH	\$ 1.00/tree
Trees 6" to 7.9" DBH	\$ 2.00/tree

Christmas Trees:

All Pines	\$ 5.00/tree
Other species	\$ 7.00/tree

Ornamentals:

Conifers:

3'-6'	\$ 7.50/tree
6'-10'	\$ 10.00/tree

Deciduous Species:

1'-3'	\$ 1.00/tree
3'-6'	\$ 5.00/tree
6'-10'	\$ 7.50/tree

For 50 or more aspen trees 3'-6'	\$ 2.50/tree
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Desert Plants:

Joshua trees:

Plants 1' to 4' tall	\$ 15.00 each
Plants 4' to 6' tall	\$ 25.00 each
Plants greater than 6' tall	\$ 5.00/foot

Barrel Cactus:

3" to 12" tall	\$ 15.00 each
13" to 24" tall	\$ 25.00 each
25" to 36" tall	\$ 50.00 each
Greater than 36"	\$100.00 each

Prickly Pear Cactus

\$ 1.00/clump

Other common cacti

\$ 5.00 each

Yucca/Agave species

\$ 7.50 each

SMALL FOREST PRODUCT PRICE LIST APPROVAL (CONT'D)

Miscellaneous Products:

Boughs and branches	\$ 0.25/cu. yd.
Pinyon Pine seeds:	
Out of cones	\$ 0.30/pound
In open cones	\$ 0.50/bushel
In closed cones	\$ 1.00/bushel
Decorative cones	\$ 1.00/bushel

Upon the recommendation of Mr. Carmichael, the Director approved the above small forest products price list and directs staff to review the price list a minimum of once a year and adjust prices to reflect market conditions.

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CANCELLED IN ERROR - ML 42142

Oil, Gas, and Hydrocarbon Lease ML 42142 belonging to McCullis Resources was cancelled in error on the 6/12/95 Director's Agenda. This lease contains a shut-in well and will be given one more year to bring the well into production.

Upon recommendation of Mr. Johnson, the Director approved changing this lease from cancelled to active status.

<u>INTEREST RATE</u>	<u>CURRENT YEAR</u>	<u>YEAR AGO</u>
Base Rate	8.50%	8.50%

DAVID T. TERRY, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

Leslie M. Warner
LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209